



BOARD OF EQUALIZATION

PROPERTY TAX COMMITTEE MEETING MINUTES

HONORABLE MICHELLE STEEL, COMMITTEE CHAIR

450 N STREET, SACRAMENTO

OCTOBER 1, 2008, 9:30 A.M.

ACTION ITEM**Agenda Item No: 1****Title:**

Business Property Assessments

Issue:

What valuation factors and trending procedures for semiconductor manufacturing equipment and fixtures should the State Board of Equalization (Board) adopt for inclusion in Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors*?

Committee Discussion:

Committee Chair Steel opened the Committee meeting by introducing the agenda item and asked staff to give a report on the issue.

Dean Kinnee, Chief, County-Assessed Properties Division, gave the Committee an overview of how the recommended valuation factors and trending procedures for semiconductor manufacturing equipment and fixtures had been developed as a result of the two-year efforts of the Semiconductor Manufacturing Equipment Team (Team). The Team consisted of Board staff, two industry representatives, and two representatives from the California Assessors' Association.

Ginny Hamley, from the Santa Clara County Assessor's Office and a member of the Team, spoke in support of the recommended factors and procedures. Ms. Hamley requested that clarification be provided that the factors and procedures are prospective not retroactive, and that the factors do not apply to equipment manufacturers.

Dean Kinnee reiterated that the factors are prospective only, and that the Board-adopted definition of the types of equipment and fixtures included in the study excluded equipment manufacturers. The valuation factors and procedures will be published in the January 2009 version of Assessors' Handbook Section 581. A statement clarifying the effective date of the factors will be included in the text of AH 581.

Committee Action:

Dr. Chu made a motion to adopt the Team recommended valuation factors and trending procedures. Member Leonard seconded the motion. Without objection, the motion passed.

Approved: /s/ Michelle Steel
Michelle Steel, Committee Chair
/s/ Ramon J. Hirsig
Ramon J. Hirsig, Executive Director

BOARD APPROVED

At the 10/01/08 Board Meeting

/s/ Diane G. Olson
Diane Olson, Chief
Board Proceedings Division